



COUNCIL AGENDA: 06-22-04
ITEM:

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: 06-01-04

Approved

Date

COUNCIL DISTRICT: 3
SNI AREA: University

SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE SERVICES FOR REDEVELOPMENT CAPITAL PROJECTS FUND (CITY-SIDE REDEVELOPMENT FUND) AND THE GENERAL FUND IN THE AMOUNT OF \$387,000 AND ADOPTION OF A RESOLUTION MAKING CERTAIN DETERMINATIONS REGARDING THE EXPENDITURE OF AGENCY FUNDS ON CERTAIN PUBLIC IMPROVEMENTS.

RECOMMENDATION

1. It is recommended that the City Council adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund):
 - a. Establish an appropriation to the Department of Public Works for the 6th and Reed Improvements (PSM 367) project in the amount of \$368,000.
 - b. Increase the estimate for Earned Revenue by \$368,000.
2. It is recommended that the City Council adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:
 2. Establish an appropriation to the Department of Public Works for the 6th and Reed Improvements project in the amount of \$19,000.
 3. Increase the estimate for Other Revenue by \$19,000.
3. It is also recommended that the Council adopt a resolution making certain determinations regarding the related expenditure of Redevelopment Agency funds on certain public

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improvements in connection with the 6th and Reed Improvements project, as more specifically described in the memorandum from the Redevelopment Agency, dated May 11, 2004, attached hereto.

BACKGROUND

The San José Redevelopment Agency has requested City services in the implementation of Agency projects. These proposed amendments are necessary to account for City-side expenditures on Redevelopment Agency projects.

ANALYSIS

6th and Reed Improvements

The 6th and Reed Improvements project consists of improvements within the University Strong Neighborhoods area. The project includes construction of four irrigated bulb-outs at the intersection of 6th and Reed, new sidewalks, curbs and gutters, crosswalks, park strip improvements and the installation of antique style lights. The Department of Public Works will manage and inspect the construction of the project.

In the Fall of 2001 the University Neighborhoods Coalition (UNC) was awarded a Community Action and Pride Grant (administered by the Parks, Recreation and Neighborhood Services) to conduct a number of activities including the installation of an irrigation system along 6th and 7th that would connect to Lowell Elementary School. After reviewing the project and its proximity to the 6th and Reed Intersection Improvements, it was determined that it should be included in the larger 6th and Reed Improvement project. The new irrigation system would irrigate landscaping planted in the parkstrips adjacent to the school along 6th and 7th. As such, UNC will provide \$19,000 to the Department of Public Works for the 6th and Reed Improvements, and will be spent as part of the award contract to cover the cost of the irrigation project.

This memorandum would recognize the revenue from the UNC (\$19,000) and transfer funding from the Redevelopment Agency (\$368,000) for construction, contingency, and construction management and inspection. In addition to this funding, the project will be supported by the Traffic Capital Program and the Community Development Block Grant referenced in a separate memorandum on this agenda.

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COST IMPLICATIONS

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The project will have an impact on the General Fund operating budget for operating and maintenance costs after the development and construction of the 6th and Reed Improvements project. The operating and maintenance costs for the 6th and Reed Improvements would be \$2,200 annually beginning in 2005-2006.

PUBLIC OUTREACH

N/A

COORDINATION

This memorandum has been coordinated with the Redevelopment Agency, the Office of the City Attorney, and the Departments of Public Works and Transportation.

CEQA

Exempt, PP04-04-126.

LARRY D. LIENBEE
Budget Director

I hereby certify that there will be available for appropriation in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Capital Fund) and the General Fund in the Fiscal Year 2003-2004 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$368,000 and \$19,000 respectively.

LARRY D. LIENBEE
Budget Director

LL:MM:AR